

CITY OF LODI
INFORMAL INFORMATIONAL MEETING
"SHIRTSLEEVE" SESSION
CARNEGIE FORUM
305 W. PINE STREET
TUESDAY, OCTOBER 19, 1999

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, October 19, 1999 commencing at 7:00 a.m.

ROLL CALL

Present: Council Members – Hitchcock, Nakanishi, Pennino and Land (Mayor)

Absent: Council Members – Mann

Also Present: City Manager Flynn, Deputy City Manager Keeter, City Attorney Hays and City Clerk Reimche

TOPIC(S)

1. Pacific Bell High Speed Cable Open Access

ADJOURNMENT

No action was taken by the City Council. The meeting was adjourned at approximately 8:10 a.m.

ATTEST:


Alice M. Reimche
City Clerk

FACSIMILE MESSAGE



A Pacific Telesis Company

**Pacific Telesis
External Affairs
445 W. Weber Ave., Suite 236
Stockton, CA 95203**

DATE: 10/13/99

PAGE: (including cover) 18

TO: Susan
Cc:
TELEPHONE: 209-333-6700
FACSIMILE: 209-333-6807

SUBJECT: Supporting information for shirt-sleeve session on 10/19, 7:00 a.m.

MESSAGE: Susan, Hope this is timely enough. Thank you for your call!

Connie Cochran, Director
Telephone (209) 460-0121
Facsimile (209) 460-0141
E-mail connie.cochran@pactel.com

Supporters of Open Access:

Sacramento Black Chamber of Commerce
Miriam Krehbiel, United Way of Kern County*
Lovell F. Furry
Erica Kohl
Stephen Nessling, Attitude Online*
Humboldt IBM Users Group
Chris Empey
Maria Singleton
Phil Wagner
Economic Vitality Corporation
Tanya Kiani
Big Brothers/Big Sisters of San Luis Obispo County
Brenda Walker, NAACP*
Ken Jackson, C&B Network*

- Organization names used for identification purposes only

Our Members (continued)

Woodland Economic Renaissance Corp.
W. Kay & Associates
John T. Kehoe
Sophie B. Pasibe
O.P. Anzaldo/N.Y. Life*
Ida Sydnor, NAACP Sacramento*
Michael Harris, NAACP Santa Rosa Sonoma County*
Timothy Murphy, Rancho Cordova Chamber of Commerce*
Kenneth Oplinger, Visalia Chamber of Commerce*
Daniel Snow, Yuba-Sutter Chamber of Commerce*
Palm Olson, Humboldt Internet*
Sandra Snow, Bi-Tech Software*
Leroy K. James, Madera Area Digital Network*
Bill Hammerman, Petaluma Net*
Felipe J. Bolivar, La Voz*
John L. Fenrich, Woodland Daily Democrat*
Derette-E. Layne, Tri County School to Career*
Ernie Hernandez, United Way of Tulare County*
Laurie Isham, Pro-Youth Visalia*
Mark P. Montemayer, City of West Sacramento*
David Cato, Orland High School*
Kathleen Furry, Premier Fastener*
Chuck Walker, The Walker Group*
Margaret M. Esquibel, Designer Signs and Trophies*
Terrie Prod'hon
Dr. W. Trent Saxton
Jim Azuher
Ken Schneider
Michael Schaub
Fred G. Castagna
Mary B. Machado
Sander Tiche, Western Electrical Sales*
Kirk Taber, Taber Integrative Design*
Thomas W. Burruss, Burruss and Associates*
Dorothy McGinn
James W. Brabeck
Dennis J. Bava
Maria M. Bitagon
Jeanette B. Mandap
Betty Walker, Global Real Estate*
Shea Kennedy
Leslie Barry Connors, Woodland Memorial Health Care Foundation*
Jeff Kean, Woodland Opera House*

O P E N A C C E S S A L L I A N C E

Our Members:

NAACP, Fresno Branch
Hmong Youth Foundation, Inc.
NAACP, Santa Rosa/Sonoma County
NAACP, Vallejo Branch
Greater Tulare Chamber of Commerce
Filipino-American Chamber of Commerce of Solano County
The New Mendota Chamber of Commerce
Merced Chamber of Commerce
Hispanic Chamber of Commerce of the City and County of Merced
California Black Chamber of Commerce
Stockton/Jan Joaquin County Mexican-American Chamber of Commerce
Vallejo/Solano Black Chamber of Commerce
American Legion Auxiliary
Yolo County Hispanic Chamber of Commerce
Communications Workers of America Local 9421
Benecia Senior Care
Gloria's Senior Care
Congress of California Seniors
Goldrush World Access, LTD.
Kern County Technology Transfer Group
Sunset Net LLC
R-Internet, LLC. Internet Services
Inner Cite
Redwood Technology Consortium
GTE
Quadra Net
Pacific Bell
CNETECH Inc.
The Computer Depot
Inforum Communications
Redding Community Access
River City Internet Providers
Mother Lode Internet, Inc.
Central Valley Telephone and Telegraph
Community Wide Web of Stockton
Radio Bilingue
Marysville Youth and Civic Center
National Larbay-Aral Program
Neal and Associates
KLS & Associates
Cornerstone Coffee Company
KM Hansen & Associates
Kathleen Communications, Inc.
Morton & Pitalo, Inc.
Children's Media Forum
Strategic Organizing Solutions
North Bay YMCA
Dynamics Training
Springer Investment Management

Alb The Daily Democrat
10/03/99

In support of Portland's effort on open access, the city of San Francisco sent a friend of the court brief to the Ninth Circuit Court. Joining San Francisco was the U.S. Conference of Mayors, the National League of Cities, the National Association of Counties, The National Association of Telecommunications Officers and Administrators and several cities, including Atlanta, Boston, Los Angeles, New York, San Diego, San Francisco, San Jose, and Walnut Creek.

The nation's attention now turns to California's heartland, where cities throughout the central valley, central coast, mountains and north coast are considering open access policies as part of part of cable franchise transfers and renewals.

Aggressive consolidation of the cable industry, highlighted by AT&T's recent multi-billion dollar acquisitions of TCI and MediaOne, has ignited public concern over a cable system controlled by a single provider. In northern and central California, for example, AT&T will control more than 80 percent of the region's cable lines. With that control comes the ability to control pricing, service, and the terms under which consumers can access the Internet.

"Cable customers already know what to expect from monopolies — bad service and rising prices," said Kehoe. "Without the ability to choose between competing providers, customers lose their only leverage, their only source of power."

In appealing for open access, Bill Davis of CNETECH Inc. noted that local decision-makers have an obligation to create a competitive landscape where all consumers will have affordable access, no matter where they live, or who they are.

"If high-speed Internet access isn't open to competition, then the companies who control that market will decide which communities move forward and which get left behind," Davis said. "A cable monopoly will have no incentive to invest in areas that are too rural, too poor or too culturally diverse to promise easy profits. Our local governments have to stand up and be counted on this issue if we are going to move forward together."

Woodland

A6 The Daily Democrat, Sunday, October 3, 1999

Consumers, businesses form open access pact for Internet

Warning of an emerging cable monopoly that puts customer choice and Internet freedom at risk, a coalition of consumer, business, and community leaders from across Northern and Central California joined this past week to announce the formation of a coalition dedicated to preserving open access to the Internet.

The Northern and Central California Open Access Alliance advocates fair competition that will ensure all consumers in California have the widest, most affordable choices available in high-speed access to the Internet. The Alliance believes that consumers benefit from unrestricted choice in Internet service providers over broadband cable networks — something the cable companies oppose.

The Alliance called on city councils and county boards throughout the Central and North state to reject the cable companies' requests for an anti-consumer closed network. Instead, the Alliance urged public officials to adopt an open access policy that will foster competition and give consumers better, faster, and more affordable access to the World Wide Web.

The Alliance is chaired by John T. Kehoe, former executive director of the California Department of Consumer Affairs and a professor of public policy at Golden Gate University. Kehoe is known throughout the state as a defender of consumer rights.

"The best — in fact the only — way to have equal access to the Internet and all the potential it holds for California is to insist on open access," Kehoe said. "We can't afford to sit by and allow one company to dominate the Internet and control both how consumers connect to the World Wide Web and what content they are able to access."

Under the model proposed by cable companies, customers who access the Internet over high-speed cable lines would be forced to use the Internet service provider, or ISP, selected for them by the cable company. A policy of open access would allow Internet users to choose their own ISP, based on their individual needs or preferences, without having to pay an additional fee for doing so.

There are more than 500 ISPs in California, including some that provide content customized for non-English speaking Internet users. Other ISPs adapt their content for easier use by the visually impaired.

"We need to protect consumer choice," said Alliance Executive Director Mark Scozzari. "Customers who prefer an ISP other than the one owned by their cable company shouldn't be penalized for exercising the right to choose."

Other members of the Northern and Central California Open Access Alliance include the Yolo County Hispanic Chamber of Commerce, the NAACP Fresno Branch, the Kern County Technology Transfer Group, the Stockton and San Joaquin County Mexican-American Chamber of Commerce, the Merced Chamber of Commerce, the New Mendota Chamber of Commerce, the Greater Tulare Chamber of Commerce, the Hanong Youth Foundation, the Filipino-American Chamber of Commerce, the Marysville Youth and Civic Center, the Vallejo-Solano County Black Chamber of Commerce, the Congress of California Seniors, and the Children's Media Forum. Technology, telecommunications and Internet companies also have joined the effort, including Qquadra Net, Petaluma Net, Pacific Bell, Motherlode Internet Inc., and Community Wide-Web of Stockton.

Open access also is supported by other organizations, including Consumer Federation of America, Consumers Union (publisher of Consumer Reports), Utility Consumer Action Network, the Media Access Project and major chambers of commerce including the Los Angeles Chamber of Commerce and the Sacramento Black Chamber of Commerce.

The Northern and Central California Open Access Alliance joins with similar organizations in Southern California and the San Francisco Bay Area in adding its voice to a nationwide campaign in favor of open access to cable Internet systems. In response to consumer input, local governments in Oregon and Florida have adopted open access policies to ensure unfettered access to the information superhighway — which will expand the potential of the Internet and the people who use it.

Earlier this summer, the San Francisco Board of Supervisors unanimously adopted a resolution declaring San Francisco an open access city. The resolution directed the city attorney to develop a course of action to implement open access by the end of the year. The city of Los Angeles is also developing its own policy on open access.

Recently, a federal judge upheld Portland, Oregon's open access policy and the authority of local jurisdictions to preserve choice and competition by requiring an open access policy for cable. And in Broward County, Florida, officials recently endorsed open access and consumer choice despite a well-funded lobbying campaign by the cable companies.

OCT 12, 1999

Internet providers worry about AT&T plans

By Craig Koszko

AT&T's recent purchase of MediaOne, the company that provides cable television service for the county, has local Internet providers worried.

The two companies have filed to have the cable operation transferred to AT&T's name. That means the franchise agreement between the cable company and local government entities is open for renewal, and Internet providers want to make sure AT&T doesn't put them out of business.

A franchise agreement outlines the service to be provided by the cable company, sets rules by which it may operate, and establishes a franchise fee that is collected by the local government.

The present agreement covers only television and radio service, but the new corporate entity could provide Internet access over the cable lines.

A coalition comprised of Pacific Bell, consumer groups and local Internet providers made their case last week before the Angels Camp City Council. The Calaveras County Board of Supervisors has scheduled an Oct. 18 study session to review the cable franchise.

Internet

continued from A1

Coenie Cochran, an official with Pacific Bell, asked the City Council to make "open access" a stipulation of the franchise renewal.

AT&T will be able to offer Internet access over the cable line 50 times faster than present service over standard telephone lines, said Cochran.

Without allowing that same high-speed access to local Internet providers, she said AT&T would have a monopoly on high-speed service.

Those who wished to use a different provider and still have high-speed access would have to pay the provider and AT&T, said Cochran.

"The Internet has played a critical role in shaping California's economy," said Cochran. "It's really important that open access be adopted ... so no company has exclusive control over any segment of the Internet."

California has about 600 Internet providers, said Cochran, because the telephone network is open to competition.

"And the competition between Internet service providers has generated savings and better services and technological innovations for most consumers," she said.

Lynda Hummel, executive director of the World Access in Angels Camp, supported open access to AT&T's cable system.

"There is no way our small company can compete against this corporate giant if the broadband lines are restricted to AT&T use only," she said.

At the request of Angels Camp city attorney Richard Mistrangelo, the council postponed any action on the matter until he could study it and bring it back for further consideration.

There is a 120-day window of opportunity for the city and county to review the franchise agreement. That window closes Nov. 11.

Earlier this year, AT&T waged its own campaign for open access to another forum, local telephone service.

Full page ads in major newspaper markets in California urged fewer restrictions on its entry into a competing position with the local telephone service providers, including PacBell.

The similarities of open access to the Internet via cable and competition in local telephone service seem obvious to Heenan.

"How ignorant do they think consumers are?" he said.

"The reason the Internet has been so successful, from a business and consumer standpoint," said Mark Scozzari of the Fresno-based Open Access Alliance, "is because there has been open access." He doesn't buy AT&T's argument that its purchase of the MediaOne is a simple business deal that should not affect the franchise agreements with local municipalities. "Frankly that doesn't wash," he said. "We think it's going to hurt consumers." It will be very damaging to small local Internet service providers throughout the state, he added. "It's going to drive them out of business." Competing high-speed technologies, including Digital Subscriber Line and wireless Internet are not yet able to match the reliability and speed a broadband cable connection, he believes.

The ultimate answers will likely come from the Federal Communications Commission, Congress or the courts.

"It's up to the local jurisdictions in the meantime," Scozzari said.

Friday, the FCC changed some of the ways it measures the cable market in ways that appear to favor approval of AT&T's \$58 billion buyout of MediaOne.

Any breakthroughs in other delivery systems, either through satellite or other wireless technology that would permit high-speed connections, could render the issue moot.

Cellular phones with limited Internet connectivity are already entering the market, while wireless radio transmission, promising speeds comparable or faster than either DSL or broadband cable are to be tested soon in the Mid-Valley.

APPEAL-DEMOCRAT

Published Saturday, October 9, 1999

Y-S has stake in Internet's future

Dan Crawford
Appeal-Democrat

The high-stakes squabble over open access to high-speed Internet via cable likely won't be settled in the Mid-Valley's halls of government.

But as local decisions are made on the transfer of franchise agreements from MediaOne to AT&T, those who fear it will eliminate competition in the delivery of cutting-edge, in-home technology are clamoring for officials to stand up to the media behemoth.

This week Yuba City and Sutter County officials delayed action on the MediaOne franchise transfer to AT&T, hoping a couple of extra weeks would help them sort out the arguments about the future of the Internet.

"If AT&T gets away with this ... all the little ISPs (Internet service providers) ... will be back doing what they did before they became ISPs," said Michael Heenan, a PacBell spokesman.

The number of small ISPs in California would dwindle from over 600 currently to a mere handful if cable companies are able to keep the market to themselves or maintain a system that requires customers who want an alternative Internet service to in effect pay twice, he estimated.

Particularly at risk would be companies that cater to niche markets such as a foreign language readers.

About three dozen cities in Northern and Central California are affected by either transfers of MediaOne operations to AT&T or swaps with other cable systems, Heenan added.

MediaOne Vice President Perry Parks contended any action by local governments would amount to regulation of the Internet, something that Congress has shied away from doing as the medium sorts through rapid changes in technology.

The Fresno Bee

Internet providers fear access monopoly

A proposed AT&T and MediaOne alliance has local providers worried.

By Sanford Nax

The Fresno Bee

September 22, 1999

Le Roy James fears his small telecommunications company in Madera may sign off if AT&T and MediaOne are allowed to dominate the high-speed Internet cable business.

"There is no way a small company like mine can compete against a corporate giant," James said Tuesday.

James, who operates MadNet in Madera, spoke at a news conference in Fresno that announced the formation of an alliance dedicated to preserving equal Internet access over the cable lines.

The group, The Northern and Central California Open Access Alliance, is warning that a proposed merger between AT&T and MediaOne could create a monopoly that limits access to cable lines.

A spokesperson for AT&T responded by saying that the utility company is simply offering consumers another choice. Internet users already have several ways to access the Internet and this is another way, said spokesperson Genny Horn-Franzen.

The buyout would give AT&T control of the cable reaching 60% of the homes in the United States and about 50% in California, said Michael Heenan, an alliance spokesman.

Representatives of the alliance plan to appeal to local governments across the

Valley because they approve cable franchises in their jurisdictions.

Representatives were scheduled to appear before the Lemoore City Council Tuesday and will be before the Fresno and Clovis councils in October.

The alliance includes consumer groups, businesses and chamber of commerce officials from throughout Northern and Central California. Included are some technology and Internet companies in California.

California is home to about 600 Internet service providers, many of which could be forced out of business by a dominant player, alliance members contend.

"We don't care about the buyout of MediaOne by AT&T, but we want to open up the Broadband line to open and free competition," said Mark Scozzari, executive director of the alliance.

Cable modems are about 100 times faster than conventional telephone modems and as such represent the future of the Internet.

It is feared that customers who access the Internet via high-speed cable lines would be forced to use AT&T's own provider, Exite@Home - or be charged an extra fee for using another provider.

ISP group lends support to cable court case

By Corey Grice
Staff Writer, CNET News.com
September 14, 1999, 11:45 a.m. PT

A group of Internet service providers has filed papers to show its support for Oregon officials who are embroiled in a closely watched court case that pits proponents of cable open access against AT&T.

The OpenNet Coalition filed documents today with the U.S. Ninth Circuit Court of Appeals in support of the city of Portland.

The city and neighboring Multnomah county believe local officials have the right to require AT&T, now the local cable provider following its merger with Tele-Communications Incorporated, to open its networks for use by Internet service providers (ISPs). AT&T has since sued over this controversial "open access" requirement.

Although not unexpected, today's amicus briefs—also known as "friend of the court" filings—are the latest step in an ongoing, high-stakes legal battle over cable access.

A group of cities and local government organizations is expected to file a similar brief later today.

ISPs want to pay cable operators to use their wires to deliver their own high-speed Net access services, while the cable industry argues they should be allowed to use their own networks without interference from competitors. High-speed, or broadband, cable Net connections are expected to be one of the main methods of connecting to the Internet as the technology becomes widespread, analysts say.

In a consolidated filing expected later today, the city of San Francisco will file a similar "friend of the court" brief supporting Portland on behalf of several other cities and local government groups. The group includes the U.S. Conference of Mayors, the National Association of Counties, the National League of Cities, the National Association of Telecommunications Officers and Administrators, as well as officials from Atlanta, Baltimore, Boston, Los Angeles, New York, and San Jose, California, among others.

In July, a contentious debate over cable access in San Francisco ended without imposing "open access" requirements on AT&T's networks in the Bay Area. But the city retained the right to revisit the issue if Portland succeeds in its lawsuit.

The Federal Communications Commission and Excite@Home, the nation's largest cable modem service which is owned, in part, by AT&T, filed "friend of the court" briefs opposing forced cable access last month.

Opening oral arguments are expected to begin in late October or early November, according to people familiar with the court case. Observers say it is difficult to determine when a ruling could be handed down.

Separately, OpenNet said its ISP membership has more than doubled in recent months to 750 member companies.

U.S. Senators Mike DeWine (R-Ohio) and Herb Kohl (D-Wisconsin):

"This proposed purchase of MediaOne Group by AT&T is a big roll of the dice for consumers."

James F. Rill, former Bush Administration antitrust chief:

Wall Street Journal, May 6, 1999

"This is the Evil Empire all over again, the re-creation of the Bell system. [AT&T's plan] gives one company the biggest share of video, long distance, Internet, and wireless services, and it must be blocked."

Gene Kimmelman, co-director of Consumers Union:

The Sacramento Bee, April 24, 1999

"AT&T obviously was sad to lose its telephone monopoly and is doing everything possible to rebuild it in the cable industry instead."

[The deal would be a violation of] any logical concentration limit. There's a very strong antitrust case, and we intend to ask [regulators] to block it on antitrust grounds."

Roy Neel, President of the U.S. Telephone Association:

"[AT&T is in a position to] dominate if not overwhelm the Internet access, long distance and cable market in combination...it's pretty clear there will be a lot of people going to the mat over this. A lot of people are saying 'enough is enough.'"

Mark Cooper, Research Director for the Consumer Federation of America:

The Sacramento Bee, May 6, 1999

"The costs are humongous in terms of anti-competitive effects...and the benefits of local phone competition are miniscule."

"This is like one big cartel. We will oppose this deal, absolutely, and we will oppose it hard."

USA Today, May 17, 1999

"Consumers should be alarmed at the prospect that AT&T's deal making will enable it to dominate the information superhighway the way it used to dominate the phone network. Past history, current realities, and future business plans indicate that consumers are much more likely to lose choice and pay more for services."

Liza Draper, analyst with capital firm McQuillan Ventures:

Los Angeles Times, May 6, 1999

"...now AT&T has gobbled up like 60 percent of the cable market. Cable is the last monopoly. They don't have to open up their network to anyone."

O P E N A C C E S S A L L I A N C E

TALKING ABOUT OPEN ACCESS

During the first week of May, AT&T made a \$58 billion bid to acquire MediaOne, the fourth-largest cable TV provider in the nation. As part of the deal, AT&T agreed to swap cable properties with Comcast, a rival bidder for MediaOne, and reached an agreement to offer telephone services over the Comcast cable system.

AT&T reached the MediaOne/Comcast deal just weeks after taking over TCI, the nation's second-largest cable system. Including the company's partnership with cable provider Time-Warner, AT&T will own or control more than 60 percent of the nation's cable lines.

In the past 18 months, AT&T has committed a record \$130 billion to complete deals (TCG, Vanguard Cellular, IBM Global Data Network, TCI, MediaOne) within the U.S. telecommunications industry.

The company is now the largest cable provider, the largest long-distance telephone carrier, the largest competitive access provider (CAP), and the largest wireless carrier in the country.

Here's what others are saying about AT&T's attempted cable Internet access monopoly:

Marc Jacobson, Senior Vice President, Prodigy Communications Corp.:

The Philadelphia Inquirer, April 28, 1999

"We are pressing it through discussion with senators and congressman and we're pressing it at the FCC. AT&T has determined it's going to use cable lines to offer local [phone] service. If it does that, it's basically bypassing all of the regulations that are in place."

Jeffrey Kagan, telecommunications consultant:

The Washington Post, April 27, 1999

"...Should the government allow that much power in one company? It's a valid concern."

The nation's attention now turns to California's heartland, where cities throughout the Central Valley, Central Coast, Mountains and North Coast are considering open access policies as part of part of cable franchise transfers and renewals.

Aggressive consolidation of the cable industry, highlighted by AT&T's recent multi-billion dollar acquisitions of TCI and MediaOne, has ignited public concern over a cable system controlled by a single provider. In Northern and Central California, for example, AT&T will control more than 60 percent of the region's cable lines. With that control comes the ability to control pricing, service, and the terms under which consumers can access the Internet.

"Cable customers already know what to expect from monopolies – bad service and rising prices," said Kehoe. "Without the ability to choose between competing providers, customers lose their only leverage, their only source of power."

In appealing for open access, Bill Davis of CNETECH Inc. noted that local decision-makers have an obligation to create a competitive landscape where all consumers will have affordable access, no matter where they live or who they are.

"If high-speed Internet access isn't open to competition, then the companies who control that market will decide which communities move forward and which get left behind," Davis said. "A cable monopoly will have no incentive to invest in areas that are too rural, too poor or too culturally diverse to promise easy profits. Our local governments have to stand up and be counted on this issue if we are going to move forward together."

Alliance leaders are inviting consumers to contact their local officials to urge them to support open access in California cities and counties. Consumers can learn more about the Alliance and its membership at www.openaccessalliance.org. Or by calling 916-930-3131.

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There are more than 600 ISPs in California, including some that provide content customized for non-English speaking Internet users. Other ISPs adapt their content for easier use by the visually impaired.

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The Northern and Central California Open Access Alliance joins with similar organizations in Southern California and the San Francisco Bay Area in adding its voice to a nationwide campaign in favor of open access to cable Internet systems. In response to consumer input, local governments in Oregon and Florida have adopted open access policies to ensure unfettered access to the information superhighway — which will expand the potential of the Internet and the people who use it.

Earlier this summer, the San Francisco Board of Supervisors unanimously adopted a resolution declaring San Francisco an open access city. The resolution directed the City Attorney to develop a course of action to implement open access by the end of the year. The City of Los Angeles is also developing its own policy on open access.

Recently, a federal judge upheld Portland, Oregon's open access policy and the authority of local jurisdictions to preserve choice and competition by requiring an open access policy for cable. And in Broward County Florida, officials recently endorsed open access and consumer choice — despite a well-funded lobbying campaign by the cable companies.

In support of Portland's effort on open access, the City of San Francisco sent a "friend of the court" brief to the Ninth Circuit Court. Joining San Francisco was the U.S. Conference of Mayors, the National League of Cities, the National Association of Counties, The National Association of Telecommunications Officers and Administrators and several cities, including Atlanta, Boston, Los Angeles, New York, San Diego, San Francisco, San Jose, and Walnut Creek.

O P E N A C C E S S ALLIANCE

Consumers, Community Leaders Join Forces to Form Northern and Central California Open Access Alliance

Warns of cable monopoly's threat to choice, economic opportunity

SACRAMENTO (Sept. 21, 1999) — Warning of an emerging cable monopoly that puts customer choice and Internet freedom at risk, a coalition of consumer, business, and community leaders from across Northern and Central California joined today to announce the formation of a coalition dedicated to preserving open access to the Internet.

The Northern and Central California Open Access Alliance advocates fair competition that will ensure all consumers in California have the widest, most affordable choices available in high-speed access to the Internet. The Alliance believes that consumers benefit from unrestricted choice in Internet service providers over broadband cable networks — something the cable companies oppose.

The Alliance called on city councils and county boards throughout the Central and North state to reject the cable companies' requests for an anti-consumer closed network. Instead, the Alliance urged public officials to adopt an open access policy that will foster competition and give consumers better, faster, and more affordable access to the World Wide Web.

The Alliance is chaired by John T. Kehoe, former executive director of the California Department of Consumer Affairs and a professor of public policy at Golden Gate University. Kehoe is well-known throughout the state as a lifelong defender of consumer rights.

"The best — in fact the only — way to have equal access to the Internet and all the potential it holds for California is to insist on open access," Kehoe said. "We can't afford to sit by and allow one company to dominate the Internet and control both how consumers connect to the World Wide Web and what content they are able to access."

Under the closed-access model proposed by cable companies, customers who access the Internet over high-speed cable lines would be forced to use the Internet service provider, or ISP, selected for them by the cable company. A policy of open access would allow Internet users to choose their own ISP, based on their individual needs or preferences, without having to pay an additional fee for doing so.

1625 East Shaw Avenue, Suite 130 Fresno, California 93710
Phone/Fax (559) 230-2962

O P E N A C C E S S A L L I A N C E

Local Governments Take a Stand for Consumers, Despite Corporate Attempts at Bullying

Oregon officials fighting an AT&T lawsuit challenging the city's right to require cable open access have found support from throughout the United States. Cities and other local governments across the nation have filed documents with the U.S. Ninth Circuit Court of Appeals on behalf of Oregon's position, in spite of threats of further lawsuits by AT&T. Also joining in this show of support have been organizations representing cities, mayors and county governments.

The City of Portland believes that local officials have the right to require AT&T, now the local cable provider following its merger with Tele-Communications Incorporated, to open its networks for use by competing Internet Service Providers (ISPs). AT&T sued Portland over this open access requirement and is threatening to sue other cities if they try to impose this same requirement.

ISPs want the right to pay cable operators for the use of their network to deliver high-speed Internet service; continuing the non-discriminatory foundations of the Internet. AT&T and its cable companies are insisting on a closed network, forcing customers to use AT&T's own ISP, Excite@Home. Customers who wanted to choose a different ISP would be required to pay an additional fee on top of what they pay for Excite@Home.

Cities and local government organizations joining together to challenge AT&T include:

- U.S. Conference of Mayors
- The National Association of Counties
- The National League of Cities
- The National Association of Telecommunication Officers & Administrators
- Atlanta
- Baltimore
- Boston
- Los Angeles
- New York
- San Jose
- San Francisco

O P E N A C C E S S ALLIANCE

THE FACTS ON OPEN ACCESS

Beginning in May 1998, the cable industry has undergone dramatic consolidation. AT&T bought TCI Cable and then, in 1999, announced plans to acquire MediaOne. These buyouts give AT&T control over the cable reaching more than 60 percent of U.S. homes. One part of the AT&T business plan in this consolidation involves offering high-speed Internet access over the cable lines.

That business plan, however, also calls for forcing cable Internet customers to use AT&T's own Internet Service Provider, Excite@Home, in order to access the Internet. Customers who need or simply prefer another ISP would be required to pay an additional fee on top of what they already pay for Excite@Home.

This effectively creates an Internet monopoly to go along with AT&T's cable monopoly. Throughout California, consumers, community organizations and local governments are lining up against this dangerous attempt to close the Internet to competition. Local governments are defending consumers by insisting on Open Access requirements, forcing AT&T to make room for competing ISPs on its cable network.

AT&T has insisted that local governments are not authorized to take this action. They've resorted to threatening to sue cities who take a stand for Open Access or to delaying upgrades to cable systems. Despite this, Portland, Oregon and Broward County, Florida have required Open Access within their jurisdictions.

In June, a federal judge rejected all of AT&T's arguments in their lawsuit against Portland and upheld the city's Open Access requirement. AT&T is appealing this decision to the 9th Circuit Federal Court of Appeals in San Francisco.

Cities and Counties throughout California and the U.S. are reviewing this issue and considering Open Access requirements of their own. Local officials are learning how important this issue is and how vital it is to keep the Internet accessible for all consumers, instead of allowing one company to control all cable high-speed access.

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